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MINNESOTA DEPARTMENT OF ECONOMIC SECURITY

RESEARCH AND STATISTICAL SERVICES OFFICE

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Manuscripts of articles are welcomed and should be submitted to the Editor. Articles on labor market conditions and the economic welfare of Minnesota workers are preferred, but subjects which can be shown to be closely related to general economic conditions within the State will also be considered. Articles should be submitted complete with tables and graphs. Length generally should not exceed the equivalent of ten single-spaced typewritten pages, including graphs, references, and notes.

All signed articles appearing in this publication together with the Editorial Comment represent the views of the author or editor and not necessarily those of the Department. Questions or comments to the authors may be directed to the Research and Statistical Services Office of the Minnesota Department of Economic Security, 390 N. Robert Street, St. Paul, Minnesota, 55101 or (612) 296-6545.

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Editorial Comment

SOME OBSERVATIONS ON ECONOMIC AND INDUSTRIAL POLICY

By R. Pinola

Although one could cite 17th and 18th century mercantilism as a case of misguided economic policy, and 19th and 20th century neoclassical economic theory as a more enlightened approach to promoting economic wealth and welfare, periodic dislocations in economic activity have triggered a variety of special policy prescriptions to inject vitality into seemingly moribund industries and economic systems. These policy prescriptions have increasingly called for government intervention in the direction of economic activity. Sometimes the prescriptions are directed at the wholesale restructuring of economic activity while at other times their emphasis is restricted to preferential treatment of given industries. In most cases they have failed to accomplish their purpose. Classic examples of failure are the various agricultural support programs. The failures also extend to protectionist and preferential treatment to other industries, particularly those in the manufacturing sector.

One of the problems with most policy prescriptions is that they are highly politicized. This is to say that they are linked to a particular ideology rather than based on quality research and sound economic logic. As a result, the prescriptions tend to be heavy on rhetoric and notions of what ought to be and weak on analysis and realism. Sir Geoffrey Chandler, who served as Director General of Great Britain's Economic Development Council for over 20 years, observed that ideology more than anything else has contributed to the failures of British industrial policy in the post-war years.[1/] According to Sir Geoffrey, instead of realistically addressing the economic uncertainties and problems of deteriorating British industry, too much time was spent by government, management, and labor in the distortion and discrediting of ideas for political purposes. Not only did the adversarial nature of politics create a myopic view of what was wrong in British industry, argues Sir Geoffrey, but it promoted a deep-rooted anti-industrial culture that thwarted rational discussion of industry problems. Also, according to Sir Geoffrey, instead of using statistics to keep politicians honest, they were used to "...assist a battle for short-term debating advantage".[2/] Rather than provide information on real changes in the economy, the public and the Council were fed a plethora of competing forecasts whose "...quantitative differences reflected qualitative different economic and political assumptions..." ranging from the optimism of the Liverpool group to the pessimism of the Cambridge group.[3/]

While the performance of the American industry over the post-war period has been superior to that of Great Britain, the economic dislocations of the past decade have led to a frenetic quest for an industrial policy that would ensure vitality in the American economy, especially the manufacturing sector. This has led to a veritable "laundry list" of policy prescriptions at both the national and state level. Unfortunately, many, if not most, of the policy

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1/ See his, "The Political Process and the Decline of Industry", in the Federation News, Summer 1984, General confederation of Trade Unions, London.

2/ Ibid

3/ Ibid

prescriptions suffer the same shortcomings as those observed by Sir Geoffrey Chandler in the case of Great Britain. Uppermost of these short-comings is the lack of realistic appraisals of industry problems and strategies that are consonant with evolving market conditions. Moreover, many of the policy prescriptions are based on an alarmist view that is not supported by careful analysis. This is particularly true with respect to our manufacturing industry which is increasingly being viewed as if it were about to become extinct like the dinosaur, no longer capable of surviving in a world of competition and soon to be replaced by the sanitary world of information services.

Admittedly, some of our manufacturing industries are confronting severe and real pressures for reasons that are recognizable given the will to face reality. However, those who feel that the industry is in eclipse should remember that much of the industry shakedown that we have recently witnessed is part of a long-term process that is conditioned by three major factors, namely, technological change, shifts in product demand, and the quality and quantity of resources, none of which are totally independent of the other. To put it simply, these factors contribute to shifts in product demand and supply/cost curves that will either more favorably or less favorably affect given industries. These shifts, in turn, influence the amount and type of labor used to produce an industry's output.4/ Rather than recognize how and why these factors are affecting particular industries, much of our industrial policy is directed to simple expedients on the assumption that the basic problems can be resolved through subsidies or protectionist measures.

One of the interesting observations to be made by looking at the experience of our manufacturing industries at the two digit level of disaggregation is that despite the peaking of employment in 7 of the 20 industries before 1960, with the exception of the Leather and Leather Products industry and cyclical swings in economic activity, the Federal Reserve Board Index of Industrial Production has continued to rise in these industries into the 1980s. This indicates that one-dimensional views of industry conditions (e.g., a focus only on employment) can prove misleading. It is true that foreign competition has dampened the growth in demand for domestically produced goods, and that it has had significant employment effects. However, simply providing "band-aids" to cover up basic problems has not been effective. Moreover, because of the interdependence between industries, protection of a high cost industry not only puts that industry, but industries that depend on it for material inputs, at risk. It also raises questions about the cost that consumers pay per job that is saved. For example, Robert Crandall has estimated that the cost of auto import quotas has amounted to $160,000 per year per job that is saved. 5/ Whether the public should be asked to provide such a subsidization of jobs should be open to debate. It would certainly be interesting to know whether the auto industry is alone in this level of protection. In any event, the public should be provided more clear choices and better research than normally is forthcoming when policy prescriptions are up for grabs. Also, it seems that many policy prescriptions are based on macroeconomic theory thus overlooking the benefits of microeconomic analysis.

Continued on page 7. See EDITORIAL COMMENT.

4/ Nor does the process stop here. Due to the considerable interdependence of industries, conditions applicable to one industry can be quickly transmitted to others.

5/ See his, "Import Quotas and the Automobile Industry: The Costs of Protectionism", in the Brookings Review, Summer 1984.

Research Summaries

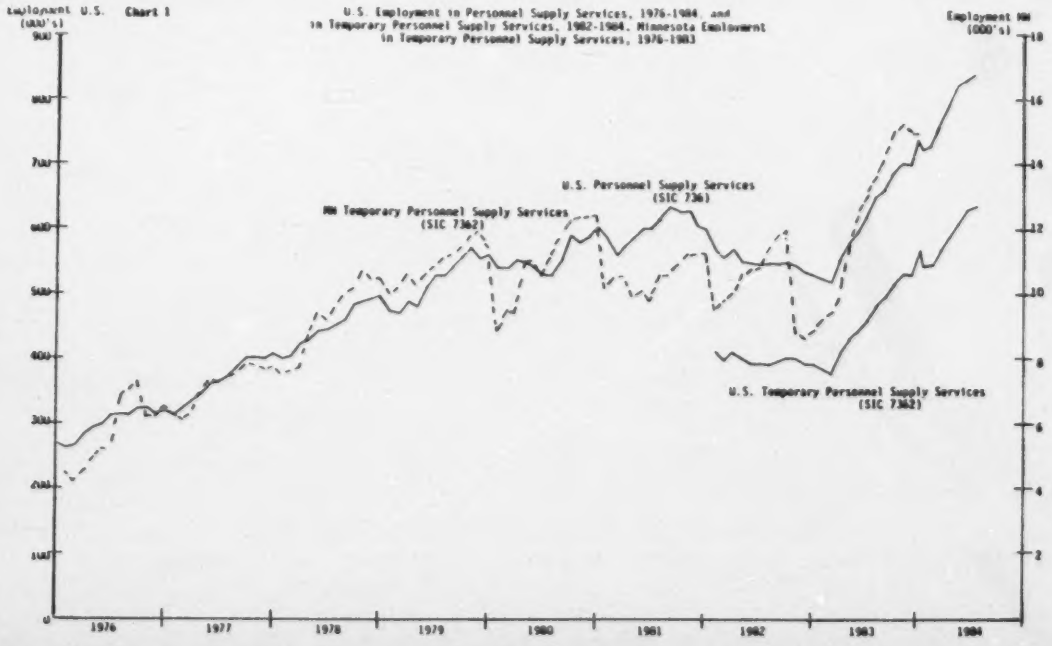
TEMPORARY HELP SERVICES

By B. Steuernagel and D. Hilber

The feature article in this issue of the Review focuses on the demand for part-time workers and the characteristics of the supply of part-time labor. This Research Summary will take a look at an intermediary, temporary help supply service establishments.

Temporary help firms supply other businesses with temporary labor on a contract basis. The help supplied is under the direct or general supervision of the business to whom the help is furnished. However, the worker is always on the payroll of the temporary help firm. Some alternative names for firms in this service industry are labor pools, manpower pools, modeling service, temporary help service, and usher service.

There were 166 private establishments which provide temporary help services in Minnesota as of the fourth quarter of 1983. Chart 1 shows the behavior in employment of temporary -help firms. The chart shows the sensitivity of the industry to recessions in 1980 and 1981-82. It should be noted that Minnesota employment in the summer of 1981 was adversely affected by a major league baseball strike which affected employment of ushers and, similarly, a labor dispute interrupted the professional football schedule in the fall of 1982. The demand for temporary labor in 1983 was particularly strong and national estimates shown in Chart 1, indicate that the trend has continued into 1984. In September 1983, Minnesota employment in temporary-help firms was 15,067, a 25.2 percent increase over September 1982. (Fourth quarter year-to-year comparisons would be distorted because of the labor dispute in 1982.) By way of comparison total Minnesota nonagricultural wage and salary employment in September 1983 was 2.0 percent greater than in September 1982 and total service industry employment was up by about 4.0 percent. Nationally, temporary help services had 636,200 workers on their payrolls in July 1984. This was an increase of 31.8 percent over July 1983 when their were 482,600 workers. One must bear in mind that while the fast employment growth in this industry is counted as service industry employment, the workers are actually working in establishments in manufacturing, trade, finance, and other service industry establishments.



The surge in employment for temporary personnel placement service prompted further study, so a survey was conducted of these agencies located in Minnesota. Thirty-four out of 140 companies responded, ranging from large organizations making all kinds of placements to those specializing in particular occupations such as health care and accounting.

Almost all respondents cited cyclical reasons for the recent jump in business. During recessions, demand for temporary labor is low and there is a great number of applicants. With a recovery, demand rises for a ready supply of temporary workers, especially by those employers who are cautious about the strength of the recovery. When economic expansion is maintained this need persists, although it becomes harder for the agencies to find qualified workers. In addition to the recent cyclical surge, sixty-five percent of the respondents acknowledge a long term change among their clients. Firms have become more cautious in their outlook of the economy and reluctant to hire permanent staff. Many prefer the flexibility of staffing which temporary labor offers. Hence, employment through temporary agencies may continue to exhibit gains despite prolonged economic growth. Furthermore, employment in other sectors may be more sluggish than expected as the use of these agencies persists.

Firms using temporary personnel services tend to fall into three industry groups: manufacturing, finance/insurance/real estate, and services. Whereas these sectors account for less than half of total wage and salary employment, they constitute over eighty percent of all temporary agency placements. Only the manufacturing sector is drastically affected by cyclical demand.

Why, then, do firms use these services? Fifty-five percent of all respondents cited replacement needs (for permanent employees on vacation, sick, and personal leave), while 40 percent stated that peak periods or special projects were major reasons for hiring temporary help. Other factors listed, but not as important are cost control (using temporaries to save on pay, benefits and training), convenience, and the opportunity to test potential permanent employees. Consequently, most placements are for the short-term with the vast majority lasting between one week and one month. Our survey results are comparable to those found by The Office magazine in their May 1984 survey of readership. It is interesting to note that three-fourths of their subscribing firms use temporary agencies and of those that do not, the major reason given is that their own staff can handle the work.

The largest share of applicants at temporary agencies are clerical workers comprising close to half of the total. There are also a substantial number of professional, service and production/maintenance personnel, the last group primarily involved in light industrial settings. Due to the high proportion of clerical workers, it is not surprising that females account for over two-thirds of all temporary workers. In terms of age most are between 25 and 64, with few elderly. Youth under 25 are over-represented making up thirty-five percent compared to twenty-four percent of total employment.

Despite the evidence that part-time work in general has increasingly become involuntary, the overwhelming majority of temporaries work on an ongoing voluntary basis either seasonally or year-round. Only thirty percent are looking for a permanent job. Such voluntary behavior is significant in light of the fact that compensation beyond pay is scarce. Fifty-eight percent of these companies do not have any benefits and of those that do, only vacation pay, performance bonuses, and training programs such as word processing skill development are commonly cited. Some firms mentioned a growing practice of offering benefits, which may be necessary to attract skilled voluntary part-time personnel as their relative share of the labor force declines throughout the 1980's.

Temporary agencies listed applicants in skilled clerical occupations - secretaries, word processing, and data entry operators as currently being in short supply compared to demand. On the other hand, agencies cited surpluses of general help - laborers, assemblers, entry-level clerks, and new college graduates lacking specific skills. These conditions mirror those of the overall labor market for the state.

The Job Market

SALES WORKERS

By B.J. Jones

Sales work offers a wide range of career opportunities, including occupations such as cashiers; insurance agents and brokers; manufacturing representatives; real estate agents and brokers; wholesale and retail trade sales workers; security sales workers; and travel agents. In 1982 there were nearly 200,000 sales workers employed in Minnesota, comprising ten percent of the State's total employment.

Sales workers are employed in every major industrial sector of Minnesota's economy. Seventy two percent of all sales workers are employed in the Trade Industry - 56.7 percent in Retail Trade, and 15.3 percent in Wholesale Trade. Finance, Insurance, and Real Estate (12.5 percent), Manufacturing (6.7 percent), and Services (5.8 percent) also employ significant numbers of sales workers.

Sales work provides many opportunities for part time employment. About half of all cashiers and retail trade workers work part time. Retail establishments provide excellent opportunities for part time workers, especially students, to gain experience in the work place.

Training requirements for sales workers vary tremendously depending upon the occupation and product being sold. Most employers prefer applicants with at least a high school diploma. For some sales positions, a college degree is required with marketing, scientific, or engineering majors. Others require specialized training or extensive experience with a particular product.

Wages for sales workers usually depend upon the amount and type of training and experience required. Some jobs in sales, such as cashiers and sales clerks, pay minimum wage or slightly more. Many sales workers are paid on a commission basis. Commissioned paid workers such as wholesale trade and manufacturers' representatives, real estate agents, insurance salesmen, and security brokers, earnings are as high as for professional workers.

Projected population growth, as well as rising personal income will create an increase in demand for goods and services thus increasing the need for sales workers. Employment of sales workers in Minnesota anticipated to increase at a faster rate (24.5 percent) than total employment (15.8 percent) from 1982 to 1990. This trend is also predicted nationally. Opportunities for part time or seasonal employment are expected to be particularly good throughout the 1980s.

DISTRIBUTION OF SALES WORKERS

	1980	1982	1990
All Sales Workers	100.0%	100.0%	100.0%
Sales supervisors, engineers, and representatives	29.9%	29.5%	29.6%
Sales occupations, business goods & services	17.1%	17.6%	17.9%
Sales occupations, personal goods & services	52.6%	52.5%	52.1%
Sales Related Occupations	0.4%	0.4%	0.4%

SUPPLY/DEMAND FOR SPECIFIC OCCUPATIONS, OCTOBER, 1984[1/]

By S. Hamper

MINNESOTA

Shortage Occupations: commissioned sales persons#, highly skilled clerical workers#, retail sales persons

Surplus Occupations: entry-level managers#, teachers#, nurses#, entry-level clerical workers#, construction workers#, factory assemblers#, laborers#

CENTRAL MINNESOTA

Shortage Occupations: commissioned sales workers#, experienced computer programmers, experienced clerk-stenographers

Surplus Occupations: social workers, teachers, registered nurses#, licensed practical nurses#, welders#, construction workers#, material handlers

MINNEAPOLIS-ST. PAUL

Shortage Occupations: highly skilled clerical workers#, part-time retail sales persons, part-time food service workers#, experienced machinists, experienced machine operators

Surplus Occupations: entry level managers#, entry level clerical workers#, factory assemblers#, general laborers#

NORTHEASTERN MINNESOTA

Shortage Occupations: none

Surplus Occupations: entry level managers#, teachers#, social workers#, registered nurses, office clerks#, bookkeepers#, sales clerks#, licensed practical nurses, nurse assistants, maids#, waiters/waitresses#, food production workers#, machinists#, maintenance mechanics#, auto-diesel mechanics#, welders#, carpenters#, millwrights#, electricians#, pipefitters#, painters#, bricklayers#, truck drivers#, mining crafts#, janitors, laborers: construction, general, and mining#

NORTHWESTERN MINNESOTA

Shortage Occupations: commissioned sales persons#, live-in health aides#

Surplus Occupations: teachers, registered nurses, licensed practical nurses, construction workers#, janitors, assemblers#

SOUTHERN MINNESOTA

Shortage Occupations: sales workers#, tractor-trailer drivers#

Surplus Occupations: clerical office workers#, unskilled construction workers#, unskilled factory workers#

1/ Shortage occupations are those that are difficult to fill or go unfilled due to the lack of qualified applicants. Surplus occupations are those in which the number of qualified applicants greatly exceeds the number of openings.

This occupation has been listed as a shortage or surplus occupation in at least two out of the last three quarters of the Review.

EDITORIAL COMMENT (Continued from page 2.)

There is still another element of popular economic policy analysis that is lacking in realistic appraisal. This is the ostensible disadvantage that we suffer in international trade due to the flood of cheap imports from low wage, developing nations. While the volume of consumer goods imports from these nations is substantial, it is often overlooked that we have generally enjoyed a favorable balance of trade in manufactured goods with the developing nations as a whole. Actually, our unfavorable balance of trade has been with the other industrial nations. As Bela Balassa has shown, the industrial nations have enjoyed a wide advantage in trade in manufactured goods with developing countries which can be expected to continue to the year 2000.6/ Our more immediate problem is that because of higher costs and an over-valued dollar, we are at a disadvantage with other industrial nations, both in inter-country trade and trade with developing nations.

6/ See, Bela Balassa, Structural Change in Trade in Manufactured Goods Between Industrial and Developing Countries, World Bank Staff Working Paper No. 396, June 1980, Washington, D.C.

Feature Article

PART-TIME WORKERS

By B. Steuernagel and D. Hilber*

Introduction

The study of part-time work is interesting for several reasons. First, it is a topic which involves two particular groups of the labor force, women and youth. Secondly, part-time work is frequently associated with certain occupations which have been and are expected to continue to be a fast-growing segment of the labor market. A third reason is to consider the potential situation which may develop as the supply of part-time workers grows at slower rates while the demand for part-time workers increases as employers seek to operate their establishments with low labor costs.

Part-Time Work: Basic Definitions

Each month the Bureau of the Census gathers data for the Bureau of Labor Statistics regarding employed and unemployed people. One of the questions asked of employed people relates to the actual number of hours worked during the survey week (the week including the 12th of the month). Persons who work 35 hours or more during the survey week are categorized as full-time. Those who work from 1 to 34 hours are designated as working part-time. Persons working part-time are classified by their usual status at their present job (either full-time or part-time) and their reason for working part-time during the survey week. Persons usually working full-time may have worked part-time because of economic or other reasons. Economic reasons include slack work, material shortages, repairs to plant or equipment, start or termination of a job during the week, and inability to find full-time work. Other reasons include labor-management disputes, bad weather, own illness, vacations, demands of home housework, school, no desire for full-time work. In short, part-time workers include those who are voluntarily working less than 35 hours per week plus persons who usually work full-time but because of economic reasons worked only part-time during the survey week.

People may work on a part-time basis for varying lengths of time during the year. Thus, part-timers are sometimes classified as permanent part-time or intermittant or seasonal part-time workers. In 1982, the permanent part-time worker (those working 50-52 weeks a year) accounted for 36.7 percent of all part-time workers in the U.S. About 20 percent of all part-time workers worked from 1 to 13 weeks a year. The remaining proportion of part-time workers, 43.3 percent, work more than 13 weeks a year but not year-round. Historically, the percentage of permanent part-time workers has grown slightly from 31.1 percent of all part-time workers in 1950 to 36.7 percent in 1982.

Part-time jobs satisfy both worker and employer needs. They provide a source of earnings for workers with a limit on the number of hours they can work either because of other activities, such as child care or studying, or for health reasons. From the employers' point of view, part-time jobs are advantageous for handling fluctuations in business demand during a day or week or for staffing an establishment which is open evenings and weekends. Many sales and service jobs require very little training and consequently, part-time labor can be closely substituted for full-time labor. Labor costs for part-time workers tend to be lower than for full-time workers because such negotiable fringe benefits as health insurance, sick leave, and vacation are provided for on a limited basis, if at all. According to information collected by the U.S. Chamber of Commerce Employee Benefits Survey, agreed upon benefits such as insurance make up over 25 percent of total benefits and in recent years have been the most rapidly rising benefit costs along with legally required benefits, particularly social security. Hence, avoidance of fringe benefit costs can amount to substantial savings to an employer.

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* This article was prepared by Bruce Steuernagel and Don Hilber, Research Analysts with the Twin Cities Labor Market Information Center, Research and Statistical Services Office.

Characteristics of Part-Time Workers

Our first task is to draw a profile of the part-time worker in Minnesota. Who are they? In what occupations do they work? In what industries are they employed? Information on these topics is available from the ten-year Census of the Population. Demographic traits are listed in Table 1. As can be seen in Table 1, 469,066 Minnesotans were employed on a part-time basis with roughly two-thirds of these being women. In the same year females comprised about 43 percent of the total Minnesota labor force, indicating the disproportionate representation of women in part-time jobs. Of the males that work part-time, most are under age 25 or over age 64. As the elderly make up a small fraction of total employment, this means that part-timers are predominantly youth and women. In fact, close to half are in the 16-24 age group with an additional forty percent being women 25-64.

Table 1 Employment by Full and Part-Time Status for Sex, Age and Type of Household Minnesota, 1980

	Full-Time		Part-Time	
	Number	Percent	Number	Percent
Total	1,365,643	74.4	469,066	25.6
Male	878,540	84.4	161,845	15.6
16-19	24,383	29.5	58,302	70.5
20-24	112,370	77.9	31,794	22.1
25-34	272,136	92.3	22,724	7.7
35-44	191,438	95.0	10,101	5.0
45-54	156,000	94.5	9,026	5.5
55-64	107,923	89.7	12,329	10.3
65+	14,290	44.9	17,569	55.1
Female	487,103	61.3	307,221	39.7
16-19	20,940	25.5	61,098	74.5
20-24	94,088	69.2	41,881	31.8
25-34	150,537	69.2	67,131	31.8
35-44	88,709	61.6	55,358	38.4
45-54	73,317	65.0	39,473	35.0
55-64	52,793	65.4	27,956	34.6
65+	6,719	31.9	14,324	68.1
Head of Household				
-single-person	94,227	75.9	29,863	24.1
-child under 6	11,260	65.8	5,197	34.2
-child 6-17	27,496	76.7	7,883	23.3
-w/other related person	16,524	74.1	5,575	25.9
Married				
-no children	155,245	68.8	70,379	31.2
-child under 6	74,947	53.7	64,738	46.3
-child 6-17	98,986	53.5	85,901	46.5
Other	8,618	18.6	37,684	81.4

Source: 1980 Census of Population, U.S. Census Bureau.

There is remarkable consistency in the propensity to work part-time among the various age categories of adult women. One would expect to see a higher proportion of women in the child rearing years working part-time. However, this is not the case. The recent trend of delayed motherhood and greater career emphasis may explain the observed pattern. A higher incidence of divorce and single parenthood may be another factor as female heads of household tend to work full-time more than other women. Age, sex, and household arrangements are thus the major factors in determining who works part-time. There is little difference in the distribution by racial group.

Not all part-time workers are found in unskilled jobs. However, certain occupations show a greater preponderance of part-time workers as shown in Table 2. By far the largest number of part-timers are in the service occupations including food service, health attending, child care, and cleaning. Many others can be found in administrative support, the professions of nursing and teaching, freight handling, general labor, and retail sales. It is only the last three, however, that in addition to service occupations have a large share of workers employed on a part-time basis. All are low paying lines of work requiring minimal levels of education and training. Although a greater percentage of Minnesotans in these areas work part-time compared to nationwide, this relationship is true for almost all occupations. Thus, our greater propensity for less than full-time employment is not related to the type of work available.

Table 2 Part-Time and Full-Time Employment by Occupation
United States and Minnesota, 1980 Census

Occupation	U.S. (In Thousands) Full-Time	U.S. (In Thousands) Part-Time	MN Full-Time	MN Part-Time	Part-Time as a Percent of Total U.S.	Part-Time as a Percent of Total MN
Total, All Occupations	77,462	20,177	1,416,455	469,066	20.7	24.9
Managerial	9,264	869	183,898	16,232	8.6	8.3
Professional	9,633	2,385	184,196	50,169	19.8	21.9
Technical	2,500	481	52,573	13,162	16.1	20.0
Sales	6,656	3,104	121,013	66,173	31.8	35.4
Administrative Support	13,174	3,678	233,636	81,352	21.8	25.8
Service	7,443	5,187	129,292	135,341	41.1	51.1
Agriculture, Forestry, Fishing	2,202	608	85,070	21,832	21.6	20.4
Craft	11,457	1,139	187,550	25,341	9.0	11.9
Operators, Assemblers	8,078	1,007	125,000	20,440	11.1	14.1
Material Movement	3,816	573	64,381	12,187	13.1	15.9
Handlers, Laborers	3,238	1,146	49,846	26,837	26.1	35.0

Source: Detailed Population Characteristics, 1980 Census of Population, U.S. Department of Commerce, Bureau of the Census.

Particular industries may utilize part-time workers to a greater degree, but there is no conclusive evidence that the industry mix in Minnesota lends itself to more employment opportunities of this sort. The information presented in Table 3 points this out. Of the sectors which are more prevalent in Minnesota than the U.S.; agriculture/forestry, mining, wholesale trade, and health services, only the last uses part-time workers to any large degree. Conversely, the personal and recreation services sector which have approximately half of their work-force on part-time schedules is not as significant an industry here as elsewhere. What is evident is that nearly all of Minnesota's industries use more part-timers due to the demographic traits previously mentioned. Of the sixteen distinct sectors listed only two small ones, agriculture/forestry and mining use a lower share. This is probably because of the particular kinds of agriculture and mining that the state has, i.e., family farms rather than large corporate enterprises and iron ore mining.

The industries which do employ part-time workers to the greatest degree, both here and nationwide, are retail trade and services. In this state, these types of businesses have one-quarter to one-half of their workers on part-time schedules with the result that average hours for all non-supervisory employees are below 35 hours per week. This division of industries based on average weekly hours and the proportion of part-time workers is closely related to the comparative earnings level among industries. All of the industries which pay lower than average wages have a high percentage of part-time workers. The exceptions are finance/insurance/real estate and agriculture/forestry. The former tends to hire more on a full-time basis perhaps due to the 9 to 5 nature of the business and the fact that it is hard to attract skilled clerical help at low wages for anything less than full-time. The average earnings in agriculture is a misleading figure as it includes only wage earners in an industry where the bulk of income is from self-employment.

Table 3

Employed Part-Time Workers by Industry
Minnesota, 1980

Industry	Number Part-time 1980	Percent of Industry Total 1980	Avg. Weekly Hours All Production Workers 1983	Avg. Hourly Earnings All Production Workers 1983	MN/U.S. Industry Share Ratio 1980
Agriculture/Forestry	22,929	21.0	36.4	7.86	1.67
Mining	534	3.7	35.1	12.23	
Construction	17,049	17.9	37.3	14.68	.88
Manufacturing	38,314	10.6	39.7	9.55	.88
Durables	19,505	8.4	40.4	9.65	.91
Non-durables	18,809	14.1	38.7	9.43	.82
Trans., Comm., Utilities	16,040	12.8	38.3	10.98	.94
Trade	158,599	39.4	30.3	7.31	1.06
Wholesale	11,605	12.9	38.4	9.84	1.11
Retail	146,994	47.1	28.1	6.35	1.05
Finance, Ins., Real Est.	18,949	18.0	36.8	7.68	.95
Services	186,994	34.4	30.4	7.31	1.03
Business & Repair	18,027	25.5	31.8	7.79	.93
Personal	22,809	44.4	34.1	6.92	.86
Louying & Recreation	8,249	53.0	24.2	5.29	
Health	59,173	36.4	31.5	7.21	1.20
Social & Professional	22,058	30.2	31.5	7.60	1.00
Education	56,496	34.2	NA	NA	1.03
Public Administration	9,198	13.5	NA	NA	.69
All Industries	469,066	25.6	33.1	8.48	1.00

Source: 1980 Census of Population, U.S. Census Bureau.
Current Employment Statistics Program, Minnesota Department of Economic Security.

Minnesota has 25.6 percent of its workers on part-time schedules compared to 20.8 percent in the United States. As indicated earlier, the reason for this discrepancy is apparently not the industries that are prevalent in the state and the occupations they employ, but rather the more active participation of women and youth in the labor force. The overall opportunity for employment is greater in Minnesota than nationwide - the unemployment rate is consistently lower than the U.S. average, especially for youth and job growth has exceeded national rates over time. This more favorable employment trend makes it easier for lower skilled part-timers to find work in all occupations. A second factor may be the larger share of working women. Labor force participation rates are higher in Minnesota than in the nation for all age and household categories of females. Whether women choose to work for income, satisfaction or both, the greater acceptance of this group in the labor force helps increase the proportion of part-time workers.

The average earnings of persons in part-time jobs is generally less than for full-time employees. This wage gap could be due to two factors. First, employers pay part-timers a lower rate for the same work as full-timers and secondly, part-time work is highly concentrated in sectors where all workers are poorly paid. According to a study done by the Bureau of Labor Statistics, "An analysis of part-time and full-time wages by sector (using broad categories of industries (10) and occupations (20) found that about two-thirds of the wage gap resulted from the high concentration of part-timers in sectors where all workers were poorly paid".1/ Table 4 shows average earnings of part-time and full-time workers. In 1979, the Federal minimum wage was $2.65 and the State minimum wage was $2.30 per hour. Additionally, waiters and waitresses, a large part-time occupation could be paid $1.84 per hour because of the prevalence of tipping in the restaurant trade. Table 3 in the previous section showed the concentration of part-time workers in the trade and service industries. Part-time workers are found in small numbers in industries characterized by the following: large-scale plants, bureaucratic organization, heavy capital investment per worker, or sequential work process. In the case of bureaucratic organizations such as government, finance and insurance, supervisory, communication, and coordination costs are very high. While there may be some higher-paid jobs which could be converted from full-time to part-time, this conversion would increase the size of the work force and communication, coordination, and supervisory costs, without increasing the number of hours of labor.

1/ John D. Owen, "Why part-time workers tend to be in low-wage jobs", Monthly Labor Review, June 1978, page 12, Bureau of Labor Statistics, U.S. Department of Labor.

Table 4 1979 Average Earnings of Full- and Part-Time Workers by Sex and Age, Minnesota

	Usually Work 35+ Hours Per Week			Usually Work 34 or Less Hours Per Week		
	Number	Annual	Weekly	Number	Annual	Weekly
Males						
16 years and older	1,037,574	$ 17,433	$ 380	137,338	$ 6,008	$ 145
16-24	188,936	8,648	228	66,730	3,658	93
25-34	308,632	16,106	340	19,301	7,777	161
35-44	209,786	21,992	450	6,955	14,557	269
45-54	171,644	22,876	468	6,584	13,315	255
55-64	129,750	20,137	427	11,758	10,044	228
65 years and older	28,826	11,460	330	26,010	4,766	138
Females						
16 years and older	577,870	$ 9,089	$ 220	339,409	$ 3,572	$ 92
16-24	148,652	6,303	172	95,887	2,711	74
25-34	178,001	9,892	230	78,178	3,901	103
35-44	97,031	10,230	239	63,867	4,067	102
45-54	80,582	10,355	236	45,878	4,147	99
55-64	61,696	10,343	237	34,391	3,870	92
65 years and older	11,908	7,527	206	21,208	3,033	79

Source: 1980 Census of Population, Bureau of the Census, U.S. Department of Commerce.

Consequently, the use of voluntary part-time is very scarce in high wage industries such as manufacturing, construction, transportation, and utilities, as well as financial services and government because of either the high cost per employee for equipment or because of organizational costs involved with coordinating complex programs and tasks.

A second reason for the earnings gap was that employers pay part-time workers less than full-time workers for the same work. The basic justification for the pay differential involves training costs and labor turnover. Gary Becker stated the following regarding turnover and wages in his classic book, Human Capital:

> "Turnover becomes important when costs are imposed on workers or firms, which are precisely the effects of specific training. Suppose a firm paid all the specific training costs of a worker who quit after completing it. According to our earlier analysis, he would have been receiving the market wage and a new employee could be hired at the same wage. If the new employee were not given training, his marginal product would be less than that of the one who quit since presumably training raised the latter's productivity.
>
> Training could raise the new employee's productivity but would require additional expenditures by the firm . . . In the same way an employee who pays for specific training would suffer a loss because he could not find an equally good job elsewhere.2/

Since the quit rate is a function of the wage level, employers are likely to "offer employees some of the return from training" but at the same time "to bring some of the training costs . . . to employees, thereby bringing supply more in line with demand".3/

2/ Gary Becker, Human Capital (New York: National Bureau of Economic Research, 1964, page 21.

3/ Ibid, page 22.

Part-time or intermittent employees receive lower wages because it is assumed that part-time workers will not remain as long on the job as full-time workers and they work fewer hours during the month so the employer will not be able to recover the initial costs of screening and training. This seems to create a vicious cycle for the part-time worker. "The very fact that the intermittent worker does not receive specific training is at the same time one of the reasons why his tie to the employer is weak and why he is more subject to intermittent employment".4/ Perhaps the key assumption in this training-cost justification for lower wages is that part-time workers experience higher turnover rates than full-time workers. A 1977 report to the Employment and Training Administration, U.S. Department of Labor entitled "Permanent Part-Time Employment: The Manager's Perspective", found that although turnover rates of full- and part-timers are roughly the same, employers interviewed in the study were typically unwilling to invest in the training of part-timers".5/

Trends in Part-Time Employment

The nature of part-time work has changed over time due to changes in the demographic mix of the labor force and economic conditions which alter the demand for this type of labor. A look at trends in part-time work in the United States and Minnesota forms the focus of this section. In Table 5, a thirty year history of part-time employment is summarized. Over that period the number of both full and part-time workers has grown, but the latter have done so at a more rapid clip. Yet the fastest growth in the part-time work force came in the 1950's for the Nation and in the 1960's for Minnesota. Between 1950 and 1960, national part-time employment increased five times faster than full-time employment. Since 1960, part-time employment in the U.S. has increased only 20 percent faster than full-time employment. In Minnesota, the share of part-timers was 23.6 percent in 1970, by 1980 it had risen to only 24.9 percent. This small rise is also evident in the country at large. It appears that the proportion of part-time employment to total employment has nearly stabilized.

Table 5 Trends in Part-Time Employment
United States, Minnesota, 1950-1980

	Total Employment (Thousands)	10-Year Percentage Change	Part-Time Employment (Thousands)	10-Year Percentage Change	Percentage of Total Employment
United States					
1950	68,876	-	10,695	-	15.5
1960	80,618	17.0	16,465	53.9	20.4
1970	93,850	16.4	19,330	17.4	20.6
1980	115,752	23.3	24,832	28.5	21.5
Minnesota					
1950	1,139.6	-	NA	-	NA
1960	1,233.4	8.2	236.8	NA	19.2
1970	1,464.3	18.7	345.4	45.9	23.6
1980	1,885.5	28.8	469.1	35.8	24.9

Source: Census of the Population, U.S. Census Bureau.

4/ Dean Morse, The Peripheral Worker (Columbia University Press, 1969) page 98.

5/ John D. Owen, "Why part-time workers tend to be in low-wage jobs", Monthly Labor Review, June 1978, page 12, Bureau of Labor Statistics, U.S. Department of Labor.

When part-time work is separated into voluntary or involuntary, additional patterns emerge as displayed in Table 6.6/ A person can be on a part-time schedule for either voluntary or involuntary reasons, the latter primarily a result of economic reasons, such as slack work, material shortages, or the inability to find full-time employment. The 1983 Current Population Survey indicates that this group makes up approximately 30 percent of both U.S. and Minnesota part-time workers. Information by industrial sector is available only for the United States, but the results are relevant for Minnesota as overall part-time employment data move in parallel fashion. The relative share of voluntary part-time workers has remained basically constant since 1970 at about 13.5 percent of total employment. This consistency holds true for most industries with two exceptions. First, the ranks of the self-employed have included a rising proportion of people who want to work part-time, while the reverse is happening in the finance and services area.

Table 6 Percent of Total Employment by Industry with Voluntary and Involuntary Components United States, 1970, 1983

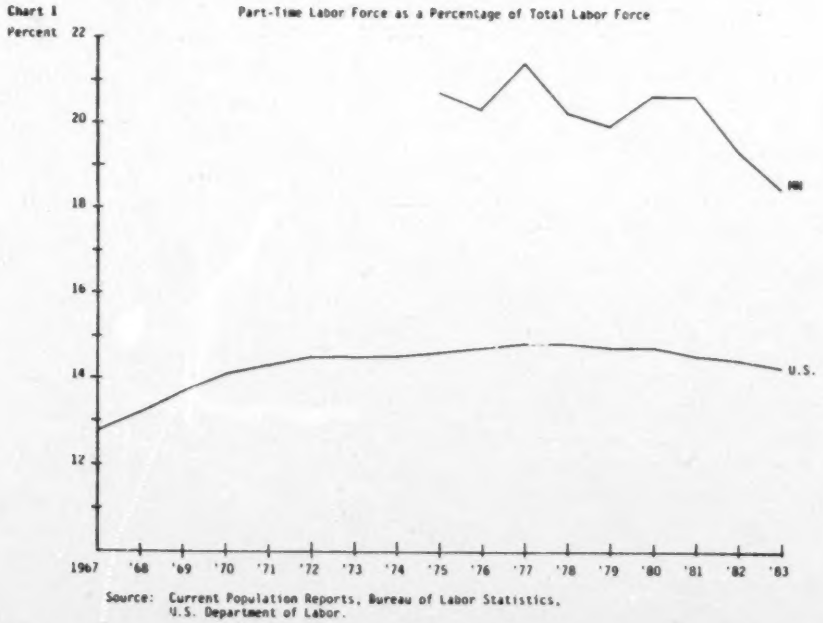
	Percent Employed Part-Time		Voluntary Portion		Involuntary Portion	
	1970	1983	1970	1983	1970	1983
All Industries	16.4	20.0	13.3	13.5	3.1	6.5
Construction	9.8	13.5	4.1	4.4	5.7	9.1
Manufacturing	6.0	7.3	2.9	3.2	3.1	4.1
Transportation and Public Utilities	8.1	8.7	6.0	4.9	2.1	3.8
Trade	27.0	32.4	23.7	22.2	3.3	10.2
Finance, Insurance, & Real Estate	10.8	11.3	9.7	8.8	1.1	2.5
Services Industries	26.8	26.6	23.4	19.8	3.4	6.8
Priv Households	65.4	69.9	52.6	47.0	12.8	22.9
All Other	22.6	24.5	20.2	18.4	2.4	6.1
Public Admin	6.5	7.3	5.6	5.5	0.9	1.8
Self Employed	18.4	26.8	14.5	17.4	3.9	9.4
Unpaid Family Workers	41.8	48.4	39.8	42.8	2.0	5.6

Source: Bureau of Labor Statistics, U.S. Department of Labor.

Involuntary part-time employment, on the other hand, has been growing over the same time frame from 3.1 percent in 1970 to 6.5 percent of total employment in 1982. The pattern parallels that of unemployment: sharp increases during the last three recessions with subsequent recoveries unable to reduce it to previous levels. All industries have experienced this phenomenon with wholesale and retail trade employees showing the greatest rise in the proportion of involuntary part-timers. At the current level of 9.2 percent of total employment, they are comparable to construction workers and self-employed individuals, well above those in the other industries who are in the four to six percent range.

6/ The percent employed part-time in the United States for 1970 differs between Table 4 and Table 5 because, 1) the latter contains annual average figures rather than a point in time, and 2) sampling errors are present for both the Census Bureau and Bureau of Labor Statistics surveys.

Consequently, the rise in the incidence of part-time employment over the last dozen years, however slight, it predominantly due to the increase in involuntary part-time work from both recessionary cutbacks in hours and no full-time work available for those seeking it. Chart 1 reinforces this conclusion. The part-time labor force in the U.S., which includes those employed voluntarily on a part-time schedule and unemployed people who want only part-time work, rose slowly throughout the late 1960's to mid-1970's, leveled for the rest of that decade, then began to drop. This pattern holds for Minnesota as well in the years since 1975 when data became available, though the smaller sample size leads to greater yearly changes. These trends in the part-time labor force are dependent on demographic changes rather than cyclical effects. The overall level of those wanting to work part-time appears to be determined by the number of youth and working women. The youth population will decrease substantially for the next ten years



and their stable or falling participation rates will result in a smaller work force. The number of women in the labor force is projected to increase, though not as rapidly as during the past decade. The share of working women who desire part-time employment has been slowly diminishing since 1970, so the increased number of females will not be enough to offset their lower part-time work proclivity and the fewer youth entering the labor force. Therefore, a smaller part-time labor force (as a percent of total) is to be expected in the future.7/

7/ Applying 1980 Census data on full and part-time employment to 1990 labor force projections compiled by the Minnesota State Demongrapher's Office yields the following:

	1980 (April)	1990 (April)	Net Change
Number of adult females part-time	204,571	279,210	74,639
Number of youth part-time	221,257	180,371	-49,886
Total part-time	519,631	561,610	41,979
Total full-time	1,480,674	1,719,685	239,011
Part-time share	26.0%	24.6%	

What do these trends mean for the future labor market? So far we have seen that part-time workers are almost exclusively youth and females working for retail trade and service industries in low/pay low skill occupations. It appears that there will be fewer of these individuals who want to work part-time while simultaneously there is evidence that employers are increasingly wishing to use workers on a part-time basis to lower labor costs (wages, benefits, taxes and training) and allow flexibility in scheduling. The upshot is that more workers may be working part-time involuntarily resulting in low morale, rapid turnover, and decreased productivity. To avoid these consequences, employers face the choice of changing their staffing pattern to include more full-timers, substituting capital-intensive technology for labor, or raising wages to attract more voluntary part-time help.

There is another option and that is to tap other potential sources of part-time employees, such as the elderly and full-time workers who would prefer more leisure time. National data shows neither of these groups have made an impact thus far in reversing the decline in part-time workers. The elderly have shown a lessened propensity to seek jobs over the last several years. Despite their ever increasing population, there was little change in the number employed voluntarily part-time between 1978 and 1983. Polls have shown that over half of those nearing retirement age wish to continue to work at a reduced capacity, yet few actually look when the time comes. No conclusive evidence exists for gauging whether or not this group will indeed form a future supply of part-time labor. At any rate, it would take a massive influx of such workers to replace the dwindling numbers of youth entering the labor force. While there may be some potential contribution from the elderly, there is little reason to accept the claims made that hours will be voluntarily reduced by those who find higher tax brackets a deterrent to working full-time. The average annual hours of work remained virtually stable during the highly inflationary 1977 to 1981 period with no discernable difference between high and low paying occupations. An idea perpetrated in the late 1970's and valid given the evidence at that time was that voluntary job-sharing arrangements ought to be embraced. Yet the data since then shows a reversal of the trends to the point where such arrangements are no longer needed in most industries. According to a recent survey on office pay and work practices done by the Administrative Management Society, only two percent of the reporting firms had a four day week and two percent had job sharing. Only 18 percent of the firms reported using flex-time.8/ If anything, employers now may need to adjust their human resource strategies to an era of a declining part-time labor.

8/ "Scientific Engineering Technical Manpower Comments", page 7, Volume 21, No. 6, July-August 1984, Scientific Manpower Commission, Washington, D.C.

Brief Analysis Of Economic Conditions

THE NATIONAL AND STATE ECONOMICS IN THE THIRD QUARTER

By B. Boyle

Nation

The slowdown in the Nation's economy that began in midsummer continued into October. Most economists, however, do not believe that a recession will occur in the near future.

Except for the continued strength in the services sector, labor market conditions were not significantly different from the past four months. The seasonally adjusted unemployment rate remained at 7.4 percent in October and has changed little since May. Both seasonally adjusted total employment and nonfarm payroll employment posted strong gains in October largely as a result of sharp increases in the service-producing industries especially in retail trade and business services. On the other hand, employment growth in construction and manufacturing continued to be slow reflecting the rise in interest rates last spring and the still increasing imports of manufactured goods.

Most other economic reports also showed that the economy was still rather flat in October. Industrial production was unchanged in October after a net decline in the past two months. Also, retail sales fell for the third time in the past four months in October. Additionally, there was a decline in housing starts, new orders for durable goods, and personal consumption expenditures. Still further evidence of a slowdown was the small (1.9 percent) gain in real gross national products in the third quarter as well as the third decline in five months in the index of leading indicators. On the other hand, the recent declines in interest rates as well as the slower inventory accumulation should result in stronger growth in the coming months.

State

Although the Minnesota economy displayed some divergent trends between the second and third quarters, the overall picture was one of improvement. Moreover, in October most employment data suggested continued strength.

The seasonally adjusted unemployment rate fell from 6.6 percent in September to 6.4 percent in October after an average of 6.4 percent in the third quarter and 6.1 percent in the second quarter. However, department analysts believe that the rate has stayed close to 6.2 percent since June and that the more recent higher rates were the result of labor force adjustments required by federal regulations. Total employment (seasonally adjusted) showed renewed strength in October, rising by 11,900 after a drop of 4,900 in the third quarter. Also, seasonally adjusted nonfarm payroll employment rose strongly in both the third quarter (34,500) and in October (15,400). A large part of the gains in payroll employment in the third quarter and October, however, were in the trade and services industry divisions. Employment in manufacturing, which had risen by 11,700 in the second quarter, rose by only 2,000 in the third quarter and then dropped fractionally in October.

Developments in other economic indicators in the third quarter and in October were less favorable than the employment figures. Seasonally adjusted average weekly initial claims for unemployment benefits rose by 600 in October to their highest level since last January. About a third of the new claims were in taconite mining. Also, building permits for private housing, seasonally adjusted, fell in both the third quarter and in October, probably still feeling the effects of last spring's rise in interest rates.

Forecasts

FORECASTS OF GNP & MINNESOTA PAYROLL EMPLOYMENT

By C. Cline

Actual values for the third quarter of 1984 and forecasted values for the next eight quarters of Gross National Product and of total and major industry employment are given below. As usual these incorporate revised Minnesota wage and salary values for the most recent quarter of input data.

Forecasts for the eight-quarter period show reduced rates of growth for both real GNP (a national variable) and Minnesota wage and salary employment. Growth rates for the four-quarter period 1984:3 through 1985:3 are +2.62% for real GNP and +4.03% for total Minnesota employment. These compare with growth rates of +3.43% and +5.17% for the same variables over the 1984:2 through 1985:2 period as presented in the last issue of this publication. Our real GNP expected growth rate falls toward the middle of the ranges predicted by some national forecasters. One should note that in the processes of presenting increasingly more complete estimates of third quarter real GNP, BEA consistently revised downward (from 1653.4 to 1649.6 to 1646.5 billion dollars). All of this lends credance to slower growth for the nation and for Minnesota over the next year.

Quarter	Real GNP (Billions of 1972 Dollars)	MINNESOTA PAYROLL EMPLOYMENT, BY QUARTER (In Thousands)								
		Total Nonagricultural Wage & Salary	Mining	Contract Construction	Manufacturing	Transportation, Communications, & Public Utilities	Retail and Wholesale Trade	Finance, Insurance, & Real Estate	Services	Government
Current										
1984-III	1646.50	1841.62	10.01	84.41	380.73	96.61	468.48	106.84	419.71	274.84
FORCASTS										
1984-IV	1657.97	1866.70	9.58	77.48	374.54	99.46	470.33	106.74	425.15	298.20
1984-I	1667.80	1819.44	9.52	57.35	367.94	96.56	454.63	107.10	422.78	300.61
1985-II	1677.43	1890.27	10.96	72.61	374.98	99.21	476.41	109.63	437.58	303.74
1985-III	1689.60	1915.77	11.11	84.67	390.71	99.57	482.72	111.46	442.70	280.99
1985-IV	1702.27	1931.74	10.55	77.49	382.27	101.59	488.36	111.19	448.49	301.90
1985-I	1714.68	1875.20	10.07	57.35	374.38	98.40	472.28	111.29	445.63	302.92
1986-II	1727.29	1945.13	11.35	72.61	380.44	101.18	492.83	113.83	462.05	305.16
1986-III	1739.67	1972.62	11.45	84.84	396.00	101.73	497.42	115.68	466.18	283.66

Notes

1. These forecasts are produced using the Vector Autoregression model developed for Research by Rao Aiyagari.
2. The concept of employment forecasted is that of Nonagricultural Wage and Salary employment. The count represents the number of jobs held since the data is generated from a survey of employer payroll records. Groups included in labor force employment, but excluded here are the self employed, domestics, unpaid family workers, employees of nonprofit institutions, and those government workers not covered by unemployment insurance.
3. Employment forecasts are seasonally unadjusted values. Real GNP is seasonally adjusted.
4. Forecasts of major industry employment do not sum to the forecast of total wage and salary employment. This is due to random error in the forecasted values.
5. There is great diversity in the accuracy of our forecasts among the major industry division. More information on their accuracy can be obtained from the author on request.

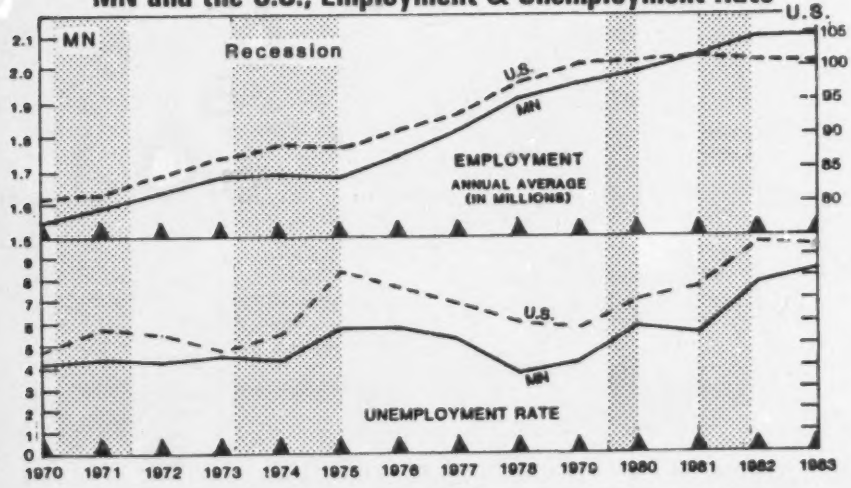
Labor Force Statistics

Labor Force Estimates	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000,000's)		
	October 1984	Change From Last Mo.	Change From Year Ago	October 1984	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2254.2	1.9	71.6	114.3	0.4	2.2
Employed	2133.2	3.7	86.5	106.3	0.5	3.6
Unemployed	121.0	-1.8	-14.9	8.0	-0.1	-1.4
Unemployment Rate						
Actual	5.4	-0.1	-0.8	7.0	-0.1	-1.4
Seasonally Adjusted	6.4	-0.2	-1.0	7.4	0.0	-1.4

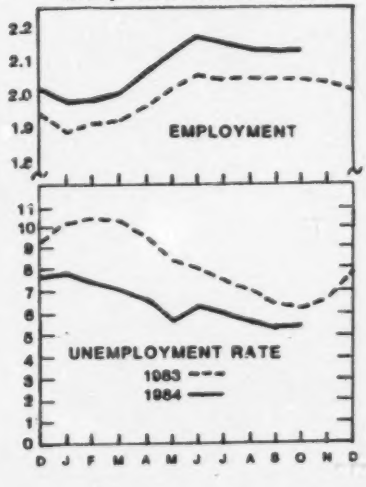
Historical Labor Force Series

Year	Minnesota (Annual Average in '000's)				United States (Annual Average in '000,000's)			
	Labor Force	Employment	Unemployment Number	Unemployment Rate	Labor Force	Employment	Unemployment Number	Unemployment Rate
1970	1625.0	1557.0	68.0	4.2	82.8	78.7	4.1	4.9
1971	1665.0	1593.0	73.0	4.4	84.4	79.4	5.0	5.9
1972	1709.0	1635.0	73.0	4.3	87.0	82.2	4.9	5.6
1973	1774.0	1694.0	80.0	4.5	89.4	85.1	4.4	4.9
1974	1779.0	1701.0	77.0	4.3	91.9	86.8	5.2	5.6
1975	1804.0	1697.0	107.0	5.9	93.8	85.8	7.9	8.5
1976	1849.0	1739.0	109.0	5.9	96.2	88.8	7.4	7.7
1977	1907.0	1809.0	97.0	5.1	99.0	92.0	7.0	7.1
1978	1979.0	1903.0	75.0	3.8	102.3	96.0	6.2	6.1
1979	2038.0	1953.0	85.0	4.2	105.0	98.8	6.1	5.8
1980	2109.0	1984.0	125.0	5.9	106.9	99.3	7.6	7.1
1981	2153.0	2034.0	119.0	5.5	108.7	100.4	8.3	7.0
1982	2166.0	1996.0	169.0	7.8	110.2	99.5	10.7	9.7
1983	2174.0	1997.0	178.0	8.2	111.5	100.8	10.7	9.6

MN and the U.S., Employment & Unemployment Rate



MN, 1983 and 1984



Labor Market Conditions

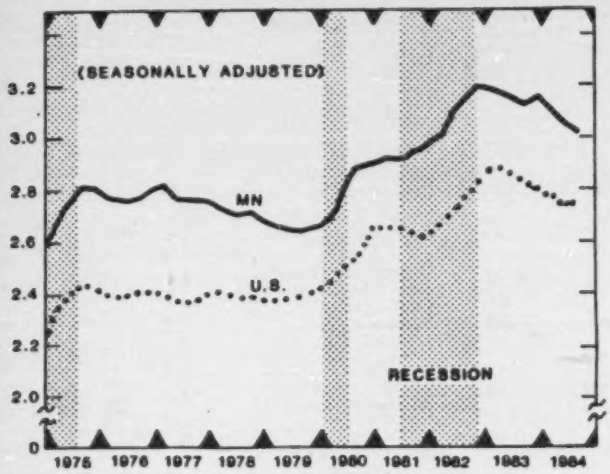
The table and graphs in this section describe the behavior of the market for labor services in terms of its quantity, price, and supply. The quantity of labor services, which is the number of employed persons, is classified by industry. The price of labor services is roughly indicated by the industry wage. Unemployment estimates provide a qualified measure of excess labor supply. The degree to which persons participate in the labor market and the effectiveness of the market in utilizing labor services are indicated by Labor Force Estimates and by Other Rates of Labor Utilization.

Labor Force And Establishment Data	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000's)		
	III Qtr. 1984	Percent Change From		III Qtr. 1984	Percent Change From	
		Last Qtr	Year Ago		Last Qtr	Year Ago
LABOR FORCE ESTIMATES						
Total Labor Force	2266.7	0.1	3.1	115039	1.3	1.6
Employment	2137.3	0.6	4.5	106657	1.4	3.6
Nonagricultural	n.a.	n.a.	n.a.	102922	1.3	3.9
Agricultural	n.a.	n.a.	n.a.	3735	5.7	-3.9
Unemployment	129.4	-7.7	-15.6	8382	-0.5	-18.7
By Reason - New Reentrants-%*	n.a.	n.a.	n.a.	39.1	-0.5	13.3
By Reason - Quit-%*	n.a.	n.a.	n.a.	10.0	6.4	31.6
By Reason - Lost-%*	n.a.	n.a.	n.a.	50.9	-1.0	-11.9
Unemployment Rates						
Actual	5.7	-8.1	-18.6	7.3	-1.4	-19.8
Seasonally Adjusted	6.4	4.9	-17.9	7.5	0.0	-20.2
OTHER RATES OF LABOR UTILIZATION						
Participation Rt (Labor Force/Population 16+)	n.a.	n.a.	n.a.	64.4	-0.2	0.3
Full Employment Deficit - Percent of Workers1/	1.7	2.2 a	3.0 a	3.3	3.4 a	5.1 a
Manpower Utilization Rate2/	84.2	-0.3	1.3	82.9	-0.2	2.7
NONAGRICULTURAL WAGE AND SALARIED POSITIONS						
Employment*	1828.5	1.6	6.2	94518	0.8	4.6
Mining	9.6	-4.0	10.3	1016	2.2	7.1
Construction	73.1	5.5	19.1	4357	1.5	9.4
Manufacturing	372.7	1.7	7.2	19674	0.5	5.7
Durables	225.0	2.1	8.8	11712	1.0	7.9
Nondurables	147.7	1.0	4.9	7962	-0.2	2.7
Trans., Comm., & Public Utilities	97.1	1.3	3.9	5182	0.7	7.8
Trade	461.8	2.5	7.5	21874	1.0	4.6
Fin., Ins., & Real Estate	105.9	0.9	4.7	5680	0.4	3.4
Services	416.2	1.6	5.5	20759	1.0	4.8
Government	292.1	0.0	2.2	15976	0.4	0.8
Average Weekly Hours*						
Mining	38.7	-0.5	12.4	43.5	0.5	2.1
Construction	38.9	5.1	2.1	38.6	1.3	1.6
Manufacturing	40.2	-1.2	0.5	40.5	-0.7	0.2
Durables	41.0	-1.9	0.5	41.2	-0.5	0.5
Nondurables	39.1	-0.5	0.5	39.4	-1.0	-0.8
Trans., Comm., & Public Utilities	37.5	-2.8	-2.3	39.6	0.3	1.0
Trade	30.3	-1.0	-0.3	32.1	-0.6	0.3
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	36.6	0.5	1.1
Services	n.a.	n.a.	n.a.	32.7	0.0	0.0
Average Hourly Wage						
Mining	13.10	0.2	9.6	11.60	0.2	2.8
Construction	15.52	3.5	5.7	12.03	0.6	1.1
Manufacturing	9.55	-1.0	0.6	9.18	0.7	3.8
Durables	9.70	-0.3	0.2	9.72	0.5	3.5
Nondurables	9.35	-1.9	1.3	8.40	1.1	3.7
Trans., Comm., & Public Utilities	11.48	2.6	4.6	11.21	1.4	3.7
Trade	7.43	-1.2	1.5	6.74	0.1	3.4
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	7.67	1.2	5.2
Services	n.a.	n.a.	n.a.	7.60	0.5	4.4
Estimates of Labor Turnover (Mfg. Only)	Estimates of Labor Turnover have been discontinued as of January 1, 1982.					

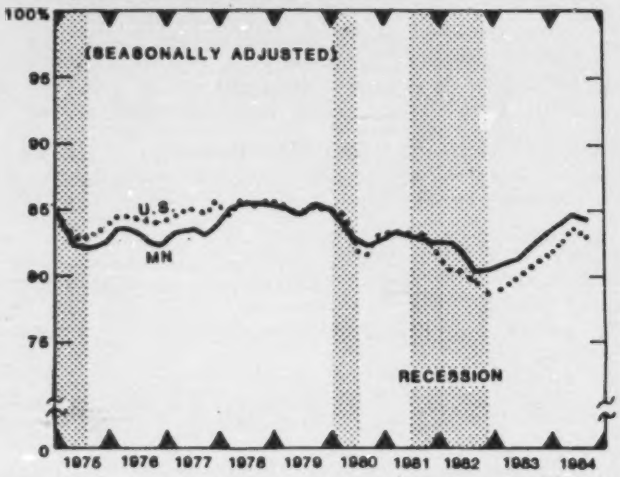
a Values are numerical values, not percent changes.

Labor Market Conditions

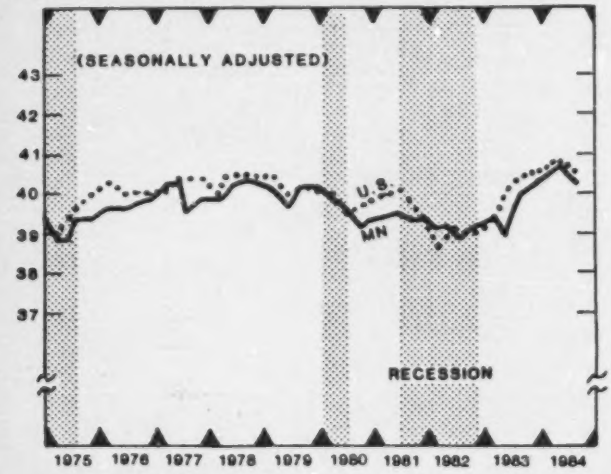
Ratio of Service to Goods Producing Jobs



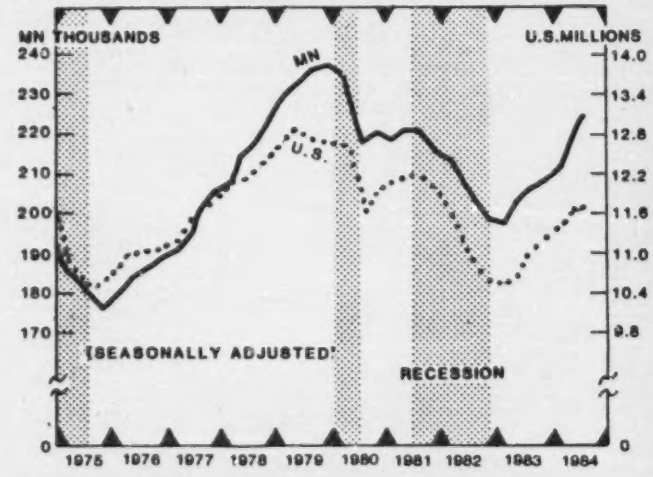
Manpower Utilization Rate



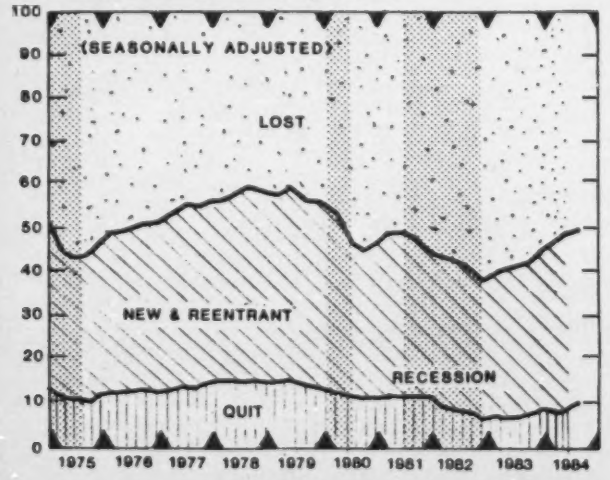
Average Weekly Hours, Manufacturing



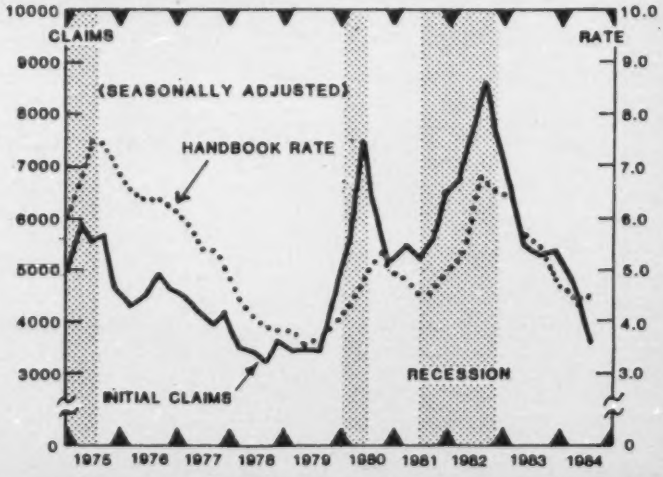
Manufacturing Employment, Durable Goods



U.S. Unemployment: Percent Distribution by Reason



MN Weekly Initial Claims & Handbook Unemployment Rate [1]



Labor Market Conditions

The Table below provides data on persons who file claims for unemployment compensation in Minnesota. Only those claiming benefits from the regular State program are represented, since data on the characteristics of Federal employees and veterans are not available, and data on those receiving benefits from extended programs is reported only when those programs are in effect. If those receiving extended benefits were included they would distort the numerical comparisons over time, but would not substantially change the percentage distributions other than to increase the proportion of long-term unemployed.

Persons Claiming Benefits	Third Quarter 1984			October 1984			Percent Long Term
	Number	Percent Change From		Number	Percent Change From		
		Last Qtr.	Year Ago		Month Ago	Year Ago	
By Age & Sex							
Male	14309	-35.6	-26.9	13728	0.5	-24.3	17.4
Under 45	11092	-34.7	-25.3	10735	1.7	-21.3	15.6
Under 25	2278	-40.7	-31.0	2553	25.1	-14.0	10.4
25-34	5607	-35.0	-24.2	5335	0.0	-22.0	15.9
35-44	3207	-29.0	-22.9	2847	-10.5	-25.5	19.9
45 and Over	3217	-38.3	-31.9	2993	-3.5	-33.5	23.7
45-54	1783	-37.8	-31.1	1714	-2.9	-34.0	21.0
55 and Over	1434	-39.0	-32.8	1279	-4.4	-32.9	27.3
Female	10986	-2.4	-11.7	8819	0.5	-8.2	24.6
Under 45	8084	-1.0	-11.3	6592	1.1	-7.6	22.9
Under 25	1599	-14.4	-23.1	1487	10.7	-17.8	15.2
25-34	3953	3.1	-5.9	3128	-3.2	-4.6	24.6
35-44	2532	2.9	-10.7	1977	1.5	-3.4	26.1
45 and Over	2902	-6.2	-12.6	2227	-1.3	-9.7	29.7
45-54	1667	-2.3	-10.9	1298	-1.8	-7.4	27.6
55 and Over	1235	-11.0	-14.8	929	-0.6	-12.8	32.6
By Industry	25295	-24.4	-21.0	22547	0.5	-18.7	20.2
Ag., For., Fish.	262	-49.0	-19.4	265	8.6	-27.2	10.9
Mining	1179	202.3	-45.1	561	-68.6	-82.2	1.3
Construction	1969	-73.4	-38.5	2138	23.7	-27.5	7.7
Manufacturing	6956	-21.8	-13.1	6910	9.2	8.3	19.0
Pub. Utilities	1129	-28.0	-29.4	1101	9.3	7.0	24.7
Wholesale Trade	1722	-15.1	-27.1	1803	10.1	-12.0	21.4
Retail Trade	3165	-19.3	-33.3	2841	3.0	-24.0	23.4
Fin., Ins., Real Est.	966	6.6	-2.0	1016	5.3	11.8	25.8
Services	6987	4.0	-5.6	4889	-4.2	-12.5	27.1
Public Admin.	562	-7.4	-8.0	596	12.5	-19.5	17.9
Inf. Not Available	398	-22.6	-37.2	427	21.0	-48.9	2.3
By Occupation	25295	-24.4	-21.0	22547	0.5	-18.7	20.2
Prof., Tech., Mgr.	5506	12.6	-12.3	4227	-3.9	-13.4	29.0
Clerical	3716	0.2	-19.1	3263	-0.1	-18.1	26.7
Sales	1177	-9.2	-23.3	1138	5.3	-15.6	26.2
Services	2438	-10.5	-14.2	2160	11.1	-16.0	23.0
Farm., For., Fish.	194	-57.5	-14.9	238	31.5	-20.7	9.8
Processing	1031	-44.2	-24.2	856	-5.0	3.0	19.1
Machine Trade	1559	-14.3	-21.4	1619	9.8	-3.4	17.8
Benchwork	2344	-12.4	-6.0	2591	19.5	20.8	14.6
Structural Work	2995	-64.4	-32.7	3093	18.0	-23.3	10.0
Misc.	4023	-23.9	-29.9	3083	-25.5	-45.0	14.7
Inf. Not Available	312	-9.6	-39.3	279	4.1	-24.6	32.4
By Duration	25295	-24.4	-21.0	22547	0.5	-18.7	---
0-14 Weeks	20111	-19.3	-14.7	17993	1.6	-15.5	---
15+ Weeks (Long-Term)	5184	-39.2	-38.6	4554	-3.8	-29.2	---

Labor Market Conditions

Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings

INDUSTRY	EMPLOYMENT 1/ (thousands)			PER CENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Oct. 1984	Sept. 1984	Oct. 1983	Sept. 1984	Oct. 1983	Oct. 1984	Sept. 1984	Oct. 1984	Sept. 1984	Oct. 1984	Sept. 1984
TOTAL NONAGRICULTURAL	1877.8	1863.9	1760.5	0.7	6.7						
MANUFACTURING	377.0	383.5	354.3	-1.7	6.4	388.00	385.60	9.70	9.64	40.0	40.0
Durable Goods	227.6	228.6	211.6	-0.4	7.5	401.23	404.74	9.81	9.80	40.9	41.3
Furniture, Lumber and Wood	16.7	17.0	15.2	-1.9	9.6	413.00	439.93	10.00	10.16	41.3	43.3
Stone, Clay and Glass	9.9	9.9	9.5	0	3.9	378.38	382.77	10.09	10.18	37.5	37.6
Primary Metals	5.9	6.0	5.7	-1.6	5.1	364.70	369.87	9.28	9.27	39.3	39.9
Fabricated Metals	34.2	34.6	33.3	-1.0	2.6	464.25	459.80	11.08	11.00	41.9	41.8
Nonelectrical Machinery	90.5	90.0	82.9	0.5	9.2	412.41	414.54	9.89	9.87	41.7	42.0
Electrical Machinery	29.3	29.7	26.5	-1.6	10.5	331.30	324.00	8.16	8.00	40.6	40.5
Transportation Equipment	7.3	7.6	6.2	-4.0	16.4	454.33	463.97	10.64	10.74	42.7	43.2
Other Durable Goods 2/	33.9	33.8	32.3	0.3	4.9	375.48	378.58	9.53	9.56	39.4	39.6
Nondurable Goods	149.4	154.9	142.7	-3.5	4.7	370.15	360.79	9.54	9.42	38.8	38.3
Food and Kindred	47.3	52.5	46.3	-10.1	2.2	308.61	288.46	8.10	7.86	38.1	36.7
Textile and Apparel	5.4	5.5	5.0	-1.4	7.0	226.50	228.46	6.04	6.06	37.5	37.7
Paper and Allied	33.6	33.8	32.4	-0.7	3.5	490.62	492.76	11.49	11.54	42.7	42.7
Printing and Publishing	40.7	40.7	37.2	0	9.5	373.32	373.32	10.37	10.37	36.0	36.0
Chemical and Petroleum	9.7	9.6	9.3	0.9	3.9	460.08	461.55	11.36	11.23	40.5	41.1
Rubber and Leather	12.8	12.8	12.5	0.5	3.0	311.59	312.80	8.01	8.00	38.9	39.1
NONMANUFACTURING	1500.7	1480.4	1406.1	1.4	6.7						
Mining and Quarrying	10.4	9.3	7.7	11.7	35.1	499.49	511.29	13.11	13.01	38.1	39.3
Metal Mining	8.1	6.9	5.4	17.5	49.7	508.72	525.46	14.21	14.24	35.8	36.9
Construction	85.2	85.4	71.4	-0.3	19.4	586.58	584.15	14.85	14.94	39.5	39.1
Building	23.7	23.2	20.2	2.1	17.2	540.77	535.15	13.76	13.90	39.3	38.5
Highway and Heavy	16.3	17.3	13.7	-5.8	19.2	561.38	575.09	13.24	13.16	42.4	43.7
Special Trades	45.2	44.9	37.4	0.6	20.6	620.24	612.75	16.11	16.34	38.5	37.5
Transportation	64.3	63.6	61.5	1.1	4.7						
Railroads	10.0	10.2	11.0	-1.5	-9.3						
Trucking and Warehousing	26.0	25.9	24.7	0.4	5.3	405.95	427.56	11.50	11.65	35.3	36.7
Public Utilities	34.5	34.6	34.3	-0.5	0.6	531.73	525.88	13.36	13.18	39.8	39.9
Communications	19.7	19.9	20.1	-0.7	-1.8	490.73	491.93	12.33	12.36	39.8	39.8
Elec., Gas and Sanitary	14.7	14.8	14.2	-0.2	3.9	580.15	565.20	14.54	14.13	39.9	40.0
Trade	473.6	472.6	436.0	0.2	8.6	221.56	224.96	7.41	7.40	29.9	30.4
Retail	356.4	355.3	325.1	0.3	9.6	179.03	182.25	6.44	6.44	27.8	28.3
General Merchandise	53.5	50.5	46.3	5.9	15.6	165.65	166.44	5.98	5.84	27.7	28.5
Food Stores	46.7	47.1	44.3	-0.7	5.6	210.50	214.91	7.36	7.36	28.6	29.2
Automotive	36.5	36.7	34.0	-0.4	7.4	308.18	307.80	8.78	8.55	35.1	36.0
Eating and Drinking	120.1	122.1	108.1	-1.6	11.1	102.13	103.03	4.46	4.46	22.9	23.1
Wholesale	117.2	117.3	110.8	-0.1	5.7	381.14	385.15	10.03	10.03	38.0	38.4
F.I.R.E.	106.4	106.7	101.9	-0.3	4.4						
Finance	48.6	48.9	48.8	-0.5	-0.4						
Insurance	38.3	38.2	36.0	0.4	6.5						
Real Estate	19.4	19.6	17.1	-0.9	13.7						
Service Industries	426.7	425.3	401.1	0.3	6.4						
Hotel and Lodging	23.6	24.9	21.0	-5.2	12.7						
Business Services	72.3	71.0	64.6	1.8	11.9						
Health Services	136.0	136.2	134.2	-0.1	1.3						
Private Education	24.8	21.9	24.8	13.2	0.1						
Soc. Serv., Museums etc.	91.4	90.8	85.8	0.6	6.5						
Government	299.7	282.9	292.4	5.9	2.5						
Federal	31.3	31.5	30.2	-0.7	3.7						
State	76.0	69.6	75.2	9.2	1.1						
Local	192.3	181.7	187.0	5.8	2.8						

1/ Totals may not add because of rounding.
2/ Includes Scientific Instruments and Miscellaneous Industries.

Labor Market Conditions

Labor Force Data: State, SMSAs, and Counties

Area or County	October, 1984 Prelim. Labor Force[1]	Unemp.	Un. Rate
State of Minnesota	2254200	121016	5.4
Metropolitan Areas			
Duluth/Superior (Duluth City Only)	35497	2934	8.2
Fargo/Moorhead (Clay County, MN Only)	27789	722	2.6
Minneapolis/St. Paul SMSA[2]	1241688	54757	4.4
Rochester SMSA (Olmsted Co.)	60050	2459	4.1
St. Cloud SMSA[3]	81968	5904	7.2
Counties			
Aitkin	5515	674	12.2
Anoka	117586	5222	4.4
Becker	12702	1228	9.7
Beltrami	17508	1353	7.9
Benton	12815	1080	8.4
Big Stone	4194	231	5.5
Blue Earth	29319	1245	4.2
Brown	15432	900	5.8
Carlton	12140	1148	9.5
Carver	21946	708	3.2
Cass	10732	866	8.1
Chippewa	7532	392	5.2
Chisago	15509	766	4.9
Clay	27789	722	2.6
Clearwater	4180	561	13.4
Cook	2320	161	6.9
Cottonwood	7709	420	5.4
Crow Wing	17654	1475	8.4
Dakota	116302	5020	4.3
Dodge	8705	587	6.7
Douglas	14095	871	6.2
Faribault	11192	505	4.5
Fillmore	12557	676	5.4
Freeborn	18437	1186	6.4
Goodhue	20540	1140	5.6
Grant	3601	185	5.1
Hennepin	564748	25046	4.4
Houston	10792	472	4.4
Hubbard	5976	513	8.6
Isanti	10935	669	6.1
Itasca	17735	1712	9.7
Jackson	8012	331	4.1
Kanabec	5789	538	9.3
Kandiyohi	19058	953	5.0
Kittson	3519	259	7.4
Koochiching	7921	732	9.2
Lac qui Parle	5900	317	5.4
Lake	4204	586	13.9
Lake of the Woods	1865	123	6.6
Le Sueur	11490	899	7.8
Lincoln	3979	207	5.2
Lyon	16161	686	4.2
McLeod	17583	978	5.6
Mahnomen	2979	251	8.4
Marshall	6536	594	9.1
Martin	14233	766	5.4
Meeker	11201	787	7.0
Mille Lacs	9348	669	7.2
Morrison	13231	1186	9.0
Mower	18174	1102	6.1
Murray	6381	394	6.2
Nicollet	15143	692	4.6
Nobles	12582	692	5.5
Norman	4733	218	4.6
Olmsted	60050	2459	4.1
Otter Tail	25373	1783	7.0
Pennington	6483	451	7.0
Pine	9850	818	8.3
Pipestone	6201	266	4.3
Polk	18879	1178	6.2
Pope	5660	308	5.4
Ramsey	276210	12620	4.6
Red Lake	2277	235	10.3
Redwood	10866	407	3.7
Renville	11758	795	6.8
Rice	24135	1581	6.6
Rock	5985	195	3.3
Roseau	6058	379	6.3
St. Louis (Inc. Duluth)	87617	8570	9.8
Scott	26176	1075	4.1
Sherburne	14977	1042	7.0
Sibley	8694	549	6.3
Stearns	54176	3782	7.0
Steele	17146	1012	5.9
Stevens	5978	212	3.5
Swift	6609	523	7.9
Todd	11785	782	6.6
Traverse	2911	118	4.1
Wabasha	9948	750	7.5
Wadena	5572	426	7.6
Waseca	9028	446	4.9
Washington	67900	2791	4.1
Watonwan	6903	331	4.8
Wilkin	4333	189	4.4
Winona	23697	1404	5.9
Wright	35311	1509	4.3
Yellow Medicine	7885	336	4.3

Technical Notes:

1/ Labor force data is computed according to BLS methodology. The method includes an adjustment to assure that the sum of the substate areas equals the separately estimated State total. This adjustment is Applied to all county and SMSA areas. County and area unemployment was multiplied by an adjustment factor of 1.64 ; employment was multiplied by 1.02. For a more detailed explanation see the Review of Labor and Economic Conditions, Vol. 4, No. 4, (February 1978 issue), p. 29.

2/ Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, Washington, and Wright Counties.

3/ Benton, Sherburne, and Stearns Counties.

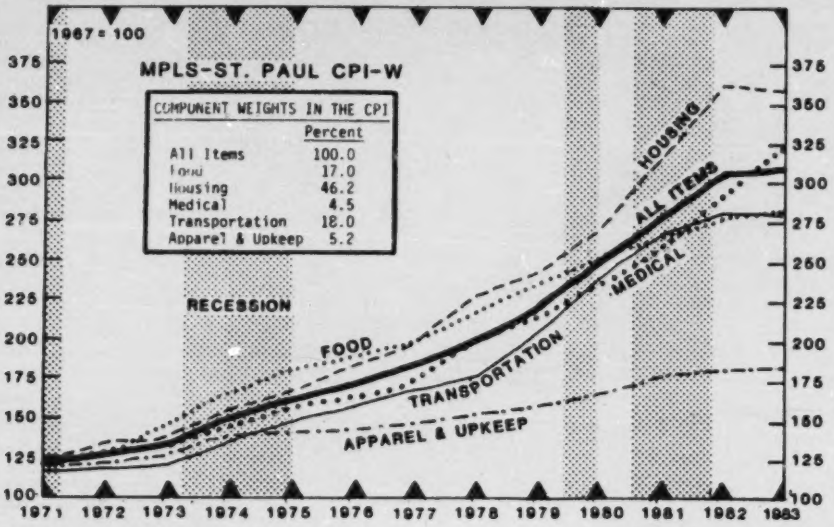
Income & Purchasing Power

This section describes how Minnesotans fare with respect to their ability to acquire goods and services needed to meet their needs and wants and how they compare with others in the United States in this respect. Real Per Capita Personal Income measures money income received by all individuals from wages and salaries, dividends, rent, professional and farm income, personal interest payments, and transfer payments, less personal contributions for social security, all adjusted for the price level as indicated by the CPI and for population. The Consumer Price Index (CPI) measures changes in the price of a representative combination of goods and services consumed by urban wage and salary workers relative to 1967. The inverse of the CPI (1/CPI) indicates the value of the dollar; when the CPI increases the value of the dollar falls. The change in the CPI over any period of time divided by the value at the beginning of the period gives the percentage change, or the rate of inflation.

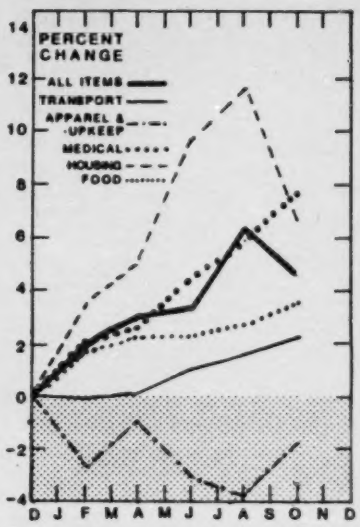
Income And Purchasing Power	MINNESOTA			UNITED STATES		
	III Qtr. 1984	Percent Change from Last Qtr.	Percent Change from Year Ago	III Qtr. 1984	Percent Change from Last Qtr.	Percent Change from Year Ago
INCOME STATISTICS						
Personal Income 1/*						
Total Personal Income (in Billions)	53.9	0.0	8.2	3047.6	2.1	10.3
Due to Labor 2/	n.a.	n.a.	n.a.	2016.9	48.1	59.7
Due to Property 3/	n.a.	n.a.	n.a.	744.6	47.6	39.4
Due to Transfer Payments 4/	n.a.	n.a.	n.a.	419.5	6.8	5.5
Total Disposable Personal Income	n.a.	n.a.	n.a.	2604.8	2.0	10.0
As Percent of Total Pers. Inc.	n.a.	n.a.	n.a.	85.5	-0.1	-0.2
Per Capita Personal Income 5/						
Current dollar Value	12842	-0.2	7.4	12867	1.9	9.3
Real (1967) Dollar Value	3880	-2.0	0.5	4151	0.3	5.6
Real Median Family Money Income 5/*						
All Families	8913	-1.9	-0.1	9199	0.3	5.0
Four Person Families	9198	-1.8	-0.7	10725	0.2	5.0
Earnings of Production Workers in Mfg. 6/						
Average Weekly Earnings	381.82	-2.4	1.1	371.49	-0.1	4.2
Real Average Weekly Earnings 7/	115.35	-4.1	-5.4	119.84	-1.6	0.7
Income Related Criteria 8/						
Standard Budgets						
Low						
Moderate						
High						
Poverty Level Income						
Urban Family of Four	10200	---	3.0	10200	---	3.0
Nonurban Family of Four						
MEASURES OF PRICE CHANGE AND INFLATION						
Consumer Price Level (CPI) 9/	331.0	1.8	6.8	310.0	1.6	3.5
Food	309.4	0.5	4.6	303.7	0.6	3.9
Housing	395.2	3.2	10.9	333.2	2.6	2.8
Transportation	295.2	0.8	2.4	315.5	0.5	3.9
Medical	361.3	2.3	9.0	380.0	1.3	6.3
Purchasing Power of the Dollar (1/CPI)	.30	-1.8	-6.4	.32	-1.6	-3.4
Wholesale Price Index	n.a.	n.a.	n.a.	310.8	-0.2	2.1
Industrial Commodities	n.a.	n.a.	n.a.	323.3	0.0	2.0

Income & Purchasing Power

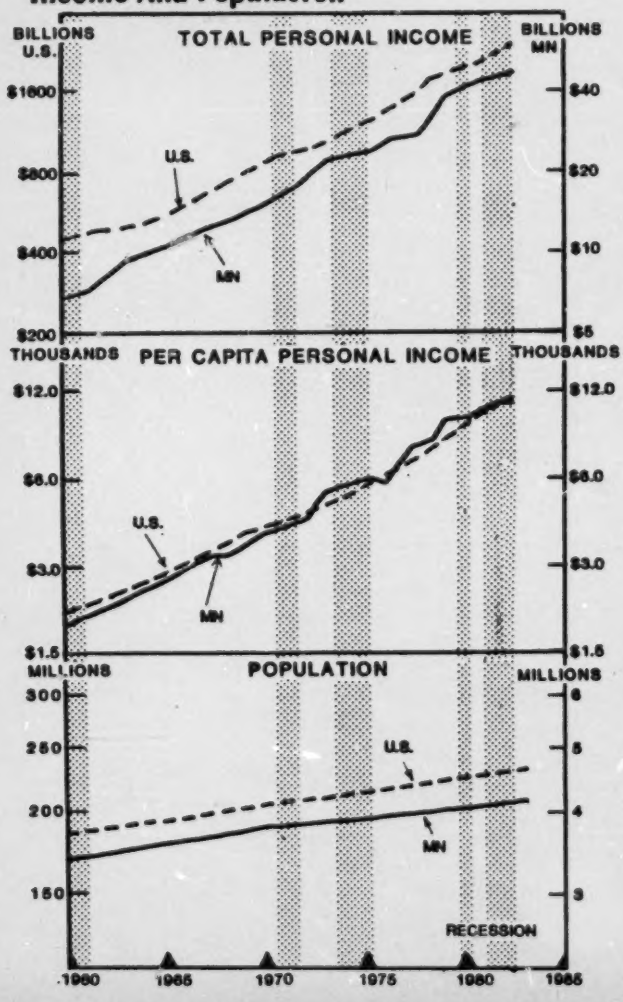
Consumer Price Index- Major Components



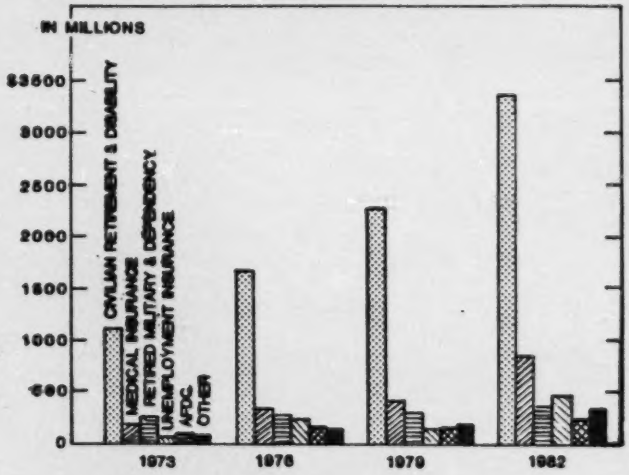
% △ From Dec. 1983



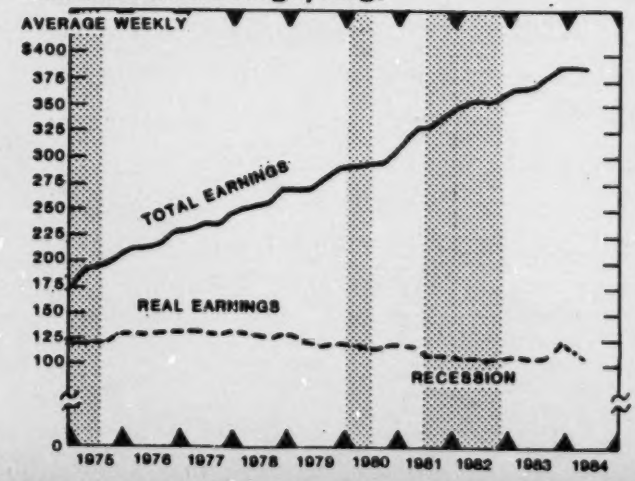
U.S. & MN Personal Income And Population



Government Transfer Payments To Individuals In Minnesota *(Selected Years)*



Minnesota Earnings, Mfg.



Output, Expenditures, Money, & Credit Conditions

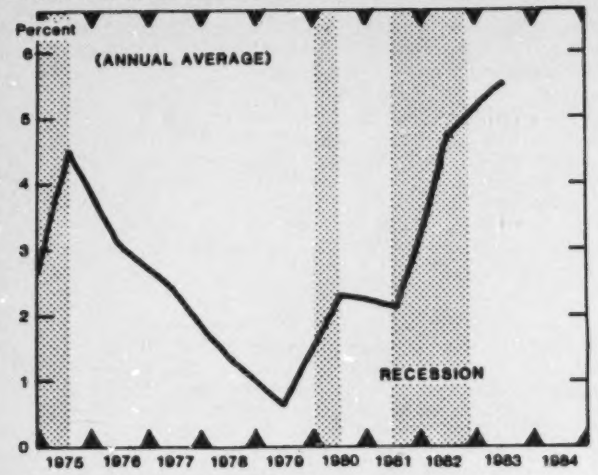
The overall level and composition of National Output shape labor market conditions, and nominal and real earnings. (Nominal values are not adjusted for inflation; real values are adjusted for inflation.) Personal Consumption Expenditures, especially on Durable Goods, together with data on Retail Sales, are frequently used as indicators of future levels of employment. The number of Building Permits influences the level of employment in construction and related industries. The Federal Budget Deficit is a key indicator of the stimulatory effect of government policy. Whether this effect results in inflation, improved employment conditions, or some combination of the two, depends in part, upon the degree to which present productive capacity is utilized. Present and anticipated Money and Credit Conditions determine the ability of consumers, business, and State and Local governments to borrow in order to finance purchases, which, in turn, generate income and employment. Unfortunately, most data of this kind is available only for the Nation. However, in an economy as interdependent as ours, analysis of the directions of change of key national indicators is a useful tool for understanding the course of the State economy.

Output, Expenditure, Money, And Credit Conditions	MINNESOTA			UNITED STATES		
	III Qtr. 1984	Percent Change from Last Qtr.	Percent Change from Year Ago	III Qtr. 1984	Percent Change from Last Qtr.	Percent Change from Year Ago
OUTPUT AND EXPENDITURE						
Retail Sales (in millions of dollars)	2023	-3.7	9.2	107590	-0.7	8.8
Private Housing Units Authorized by Building Permits 1/	25352	-15.9	5.2	1504	-14.4	-9.1
Index of Industrial Production 2/	n.a.	n.a.	n.a.	165.7	1.6	9.2
Gross National Product (in billions of 1972 dollars)* 3/	n.a.	n.a.	n.a.	1649.6	0.7	6.4
Personal Consumption Expenditures	n.a.	n.a.	n.a.	1064.6	0.1	4.8
Durable Goods	n.a.	n.a.	n.a.	177.0	-0.9	10.9
As Percent of Pers. Cons.	n.a.	n.a.	n.a.	16.6	-1.2	5.7
Nondurable Goods	n.a.	n.a.	n.a.	396.1	-0.1	4.6
Services	n.a.	n.a.	n.a.	491.5	0.5	2.9
Gross Private Domestic Investment	n.a.	n.a.	n.a.	299.2	5.4	29.7
As Percent of GNP	n.a.	n.a.	n.a.	18.1	4.6	21.5
Nonresidential, Fixed	n.a.	n.a.	n.a.	206.8	1.9	19.8
Residential	n.a.	n.a.	n.a.	61.2	0.7	7.0
Net Exports	n.a.	n.a.	n.a.	-22.7	#	#
Government Purchases	n.a.	n.a.	n.a.	308.4	2.1	5.6
Federal	n.a.	n.a.	n.a.	127.4	3.4	10.2
State and Local	n.a.	n.a.	n.a.	181.1	1.2	2.7
GNP Gap (Full Empl. Minus Present GNP)						
1972 Dollars (in billions)						
Current Dollars (in billions)						
Current Federal Budget Deficit 4/						
As Percent of GNP	n.a.	n.a.	n.a.	-4.8	-4.6	-5.4
Inventory to Sales: Durable Goods in Mfg.	n.a.	n.a.	n.a.	1.88	1.6	-3.6
New Orders to Shipments: Durable Goods	n.a.	n.a.	n.a.	1.01	-1.3	-1.6
Plant Capacity Utilization Rate in Mfg. 5/	n.a.	n.a.	n.a.	82.6	1.0	6.7
MONEY AND CREDIT CONDITIONS						
Interest Rates						
Discount Rate	9.00	0.4	5.9	9.00	0.4	5.9
Prime Rate	n.a.	n.a.	n.a.	12.99	5.5	20.3
Rate on Conventional Mortgages	12.10	6.1	-1.5	12.68	4.4	-0.4
Federal Funds Rate	n.a.	n.a.	n.a.	11.39	7.9	20.4
Consumer Installment Credit Outstanding	n.a.	n.a.	n.a.	443012	6.0	19.5
As Percent of Disposable Personal Income	n.a.	n.a.	n.a.	17.0	4.0	8.6

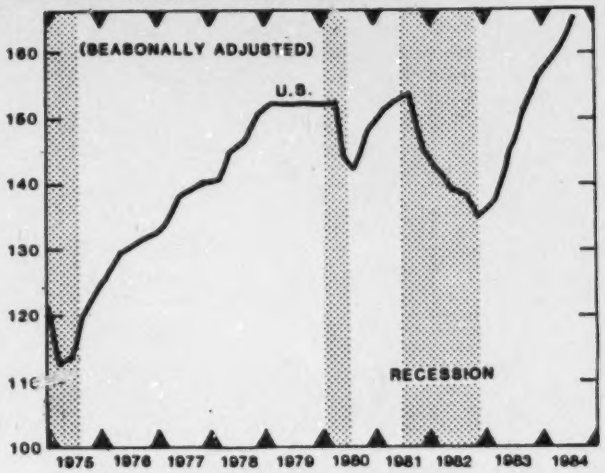
#Percent change not applicable

Output, Expenditures, Money, & Credit Conditions

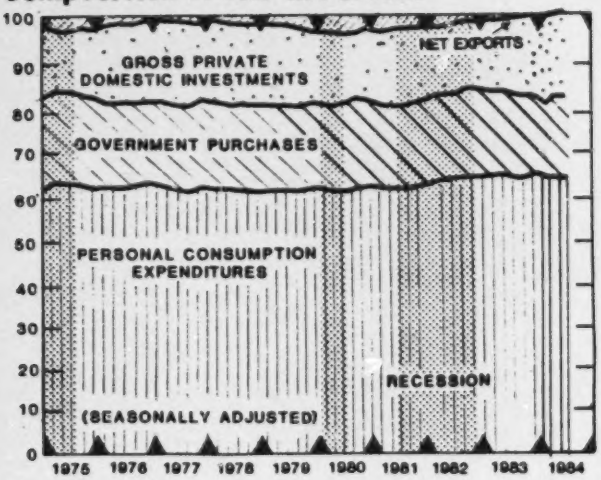
Federal Deficit as % of GNP (Current Dollars)



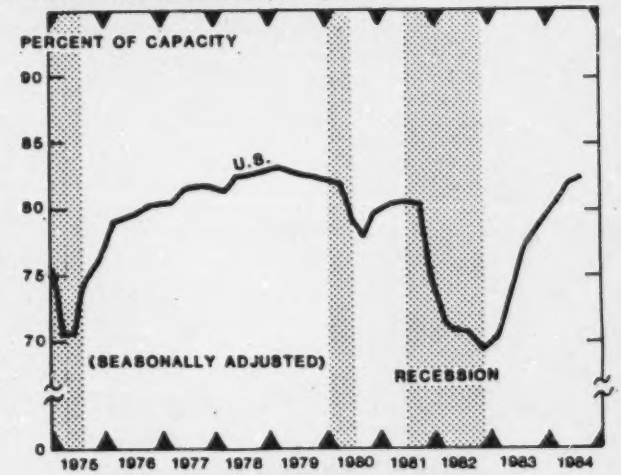
Index of Industrial Production



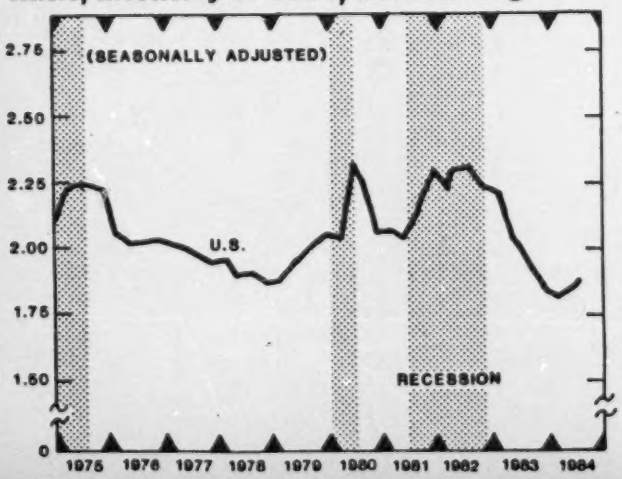
Composition of GNP in Percent



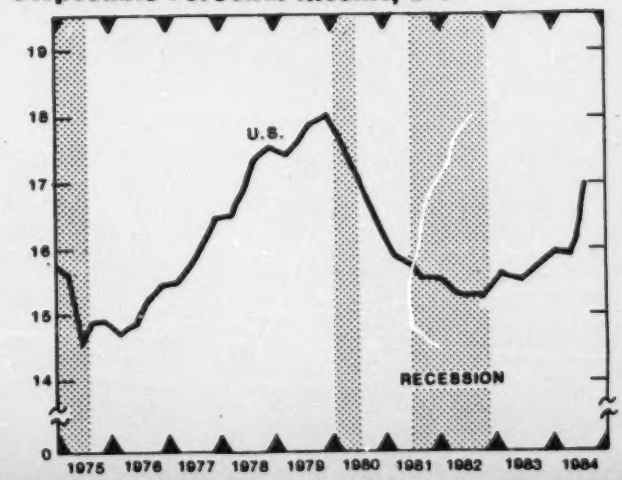
Plant Utilization Rates, Mfg.



Ratio, Inventory to Sales, Durable Mfg.



Ratio, Consumer Installment Debt to Disposable Personal Income, U.S.



Technical Notes

For the reader's convenience the notes which follow are organized in sequence for the pages which appear in the statistical section. Each note corresponds to the footnote or reference notation for the given page.

* Wherever an asterik appears the data is seasonally adjusted.

Page S-2

1/ Four percent is a generally agreed upon criteria for measuring full employment. It allows for the movement of persons between jobs. Labor Force Unemployment Rate less four percent, based on official estimates.
2/ Estimated worker hours expended in nonfarm payroll employment as a percent of potential worker hours assuming that each member of the nonfarm labor payroll labor force was employed at a standard rate of 40 hours per week.

Page S-3

1/ The handbook unemployment rate is the estimate of unemployment prior to the Current Population Survey (CPS) adjustment.

Page S-7

1/ In billions of dollars at an annual rate.
2/ The contribution to total Personal Income of wages, salaries, and other labor income. Percent change entry in Labor Income Impact is the percent that the change in labor income comprises of the change in total Personal Income. This is not available for Minnesota on a quarterly basis.
3/ The figure for the quarter is the contribution to total Personal Income of proprietor's rental, dividend, and interest income. The percent change entry in Property Income Impact is analogous to the Labor Income Impact described in 2/ above.
4/ The contribution to total Personal Income of transfer payments (unemployment compensation, AFDC, etc.) The percent change entry is analogous to the Labor Income Impact in 2/ above.
5/ In dollars at an annual rate.
6/ In dollars per week.
7/ Real average weekly earnings are the average weekly earnings of production workers in manufacturing divided by the CPI.
8/ Annual data.
9/ Value is CPI-W (Urban Wage earners and clerical workers).

Page S-9

1/ U.S. data annualized in thousands. Source: Bureau of the Census.
2/ Base Year is 1967. Source: Federal Reserve Board.
3/ Totals may not add due to rounding.
4/ Values shown in percent change columns are deficit as percent of GNP for period cited.
5/ Source: Federal Reserve Board.

Available Publications

Review of Labor and Economic Conditions and its Monthly Supplement (Recent Issues)

1984 Minnesota Salary Survey by Area (September 1984)

1984 Minnesota Hospitals and Nursing Homes Salary Survey (September 1984)

1984 Minnesota Wage Data by Industry and Size of Firm (September 1984)

Important Minnesota Occupations by Industry (August 1984)

Labor Market Information Summary for 1985 for Minneapolis-St. Paul SMSA (May 1984), St. Cloud SMSA (June 1984), Duluth SMSA (Sept. 1984), and Minnesota April 1984)

Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings, January 1950 - December 1983 (April 1984)

Employment, Hours, and Earnings, January 1970 - February 1984, Minneapolis - St. Paul Area (April 1984)

1982 Occupational Employment Statistics in Minnesota (April 1984)

Minnesota Labor Market Information Directory (June 1984)

Minnesota Employment and Wage Data by County (First Quarter 1984) Limited number available for 1975-1982

Average Covered Employment & Wages by Economic Region for the Calendar Year 1983 by Two Digits of Industry (also available for 1976-82)

Unemployment Compensation Program Statistics: Total Wages, Taxable Wages, Contributions Due, and Benefits Paid, 1950 - 1978

Cyclical Sensitivity in Minnesota (August 1981)

Write to: Director, Research and Statistical Services Office
Minnesota Department of Economic Security
390 North Robert Street
St. Paul, Minnesota 55101